

## Agenda

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# *Town of Fairview*



### **Agenda**

Town Council Meeting

**March 8, 2022**

6:30 pm

*Meeting will be in the Fairview Town Hall Meeting Room*

**1. Call the meeting to order: ---Mayor Thomas**

Invocation

Pledge of Allegiance

- a. Agenda Changes
- b. Approval of Agenda

**2. Public Comments\*\* / Presentations:**

**3. Consent Agenda:**

- a) Financial and Tax Reports--- *Report Accepted as Information (including Pending Bills documentation provided at meeting)*
- b) Land Use Report---*Report Accepted as Information*
- c) Fund Balance Worksheet 2021-2022 --- *Report Accepted as Information*
- d) Fairview Park Event February Draft Minutes (*Minutes Accepted as Information*)
- e) Fairview Park Facility February Draft Minutes (*No February Meeting*)
- f) Planning Board February Draft Minutes (*No February Meeting*)
- g) Approve Council Minutes for February 8, 2022

# Agenda

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## 4. Items of Business:

**Item 1: Discuss** Text Amendment #TC 22-005 regarding Fairview Land Use Ordinance Section 113 (a) (d) --- *Ed Humphries*

**Mayor to Open Public Hearing**

**Public Comments**

**Mayor to Close Public Hearing**

**Decision to Approve:** Text Amendment #TC 22-005 Fairview Land Use Ordinance Section 113 (a) (d):

- (a) If the administrator finds that any provision of this ordinance is being violated, he shall send a written notice to the person responsible for such violation, **by personal delivery, electronic delivery, or first-class mail** indicating the nature of the violation and ordering the action necessary to correct it. Additional written notices may be sent at the administrator's discretion.
- (d) **The person providing the notice of violation shall certify to the local government that the notice was provided, and the certificate shall be deemed conclusive in the absence of fraud.**

Motion to approve would include the following zoning statement: The proposed zoning amendment under consideration is/is not found to be reasonable and consistent with the recommendations of the Town's adopted Comprehensive Plan, the Town of Fairview Land Use Plan (Revised November 11, 2018), and the Town of Fairview Land Use Ordinance (effective July 1, 2005)

**Item 2: Approve 2022 Audit Contract with J.B. Watson & Co., PLLC –**  
*Darrell Baucom*

## 5. Council Comments:

## 6. Adjournment

AS A COURTESY, PLEASE TURN CELL PHONES OFF WHILE MEETING IS IN PROGRESS

**\*\* Public Comments are limited to 3 minutes**

# Consent Agenda

A consent agenda is an effective means of managing the length of a meeting. It is normally made up of routine items that are not controversial in nature and upon which no further discussion is anticipated. Action on the consent agenda usually occurs early in the meeting with all items listed being approved by one motion and vote.

If any member of the governing body feels the need to discuss one or more of the items more fully, the item may be removed from the consent agenda and placed on the regular agenda.

Town of Fairview  
Balance Sheet  
As of February 28, 2022

	Feb 28, 22
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
First National Bank	407,680.86
Total Checking/Savings	407,680.86
Other Current Assets	
Franchise Tax Receivable	30,363.68
Investments	
Investments NCCMT	1,062.51
Total Investments	1,062.51
Other receivables	78.57
Prepaid assets	3,186.00
Sales Tax Receivable	6,268.63
Taxes receivable	1,213.71
Taxes receivable - ad valorem	-3,135.37
Taxes receivable - motor veh	1,142.50
Total Other Current Assets	40,180.23
Total Current Assets	447,861.09
Fixed Assets	
Accumulated Depreciation	-408,074.09
Building and Improvements	1,181,642.75
Computer Equipment	10,073.66
Furniture and Equipment	1,698.00
Land	734,289.94
Land improvements	17,545.00
Leasehold improvements	27,486.25
Park equipment	148,928.88
Rental House	137,436.59
Total Fixed Assets	1,851,026.98
<b>TOTAL ASSETS</b>	<b>2,298,888.07</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	9,488.05
Total Accounts Payable	9,488.05
Other Current Liabilities	
Accrued payroll	4,051.51
Deferred revenue - ad valorem	1,213.71
Payroll Liabilities	540.07
Prepaid taxes	6.17
Security deposit - rental house	1,395.00
Total Other Current Liabilities	7,206.46
Total Current Liabilities	16,694.51
Long Term Liabilities	
Note payable on park land	440,000.00
Total Long Term Liabilities	440,000.00
Total Liabilities	456,694.51
Equity	
Amount to be provided for LTD	-440,000.00



10:01 AM  
03/01/22  
Accrual Basis

**Town of Fairview**  
**Balance Sheet**  
As of February 28, 2022

	Feb 28, 22
Equity	
Fixed assets	1,851,026.98
Total Fund Balance	1,207,568.00
Total Equity	3,058,594.98
Retained Earnings	-795,660.04
Net Income	19,258.62
Total Equity	1,842,193.56
TOTAL LIABILITIES & EQUITY	2,298,888.07

10:02 AM

03/01/22

Accrual Basis

**Town of Fairview**  
**Profit & Loss Budget vs. Actual**  
**July 2021 through June 2022**

	Jul '21 - Jun 22	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Ad Valorem taxes	104,803.63	108,000.00	-3,196.37	97.0%
Alcoholic beverage	0.00	16,000.00	-16,000.00	0.0%
ARP Funds	133,598.25			
Donation	5,540.09			
Donation - vendors	4,715.75			
Farm Land rental	2,100.00	1,500.00	600.00	140.0%
Fund balance appropriated	0.00	130,786.00	-130,786.00	0.0%
Interest on delinquent taxes	716.64			
Investment income	317.14			
Motor vehicle taxes	11,755.87	10,800.00	955.87	108.9%
Park rental income	1,100.00	1,000.00	100.00	110.0%
Rental house income	8,788.60	15,000.00	-6,211.40	58.6%
Sales and use tax	26,208.51	32,500.00	-6,291.49	80.6%
Utility Franchise taxes	65,356.47	135,000.00	-69,643.53	48.4%
Zoning fees	10,895.00	12,000.00	-1,105.00	90.8%
<b>Total Income</b>	<b>375,895.95</b>	<b>462,586.00</b>	<b>-86,690.05</b>	<b>81.3%</b>
<b>Expense</b>				
Advertising and Promotion	328.36	1,000.00	-671.64	32.8%
Audit fees	8,660.00	8,530.00	130.00	101.5%
Bank Service Charges	773.53			
Capital outlay - Park	3,955.11			
Capital Outlay - Town Hall	143,254.13	150,000.00	-6,745.87	95.5%
Debt repayment	60,280.00	60,280.00	0.00	100.0%
Dues and Subscriptions	5,931.00	6,000.00	-69.00	98.9%
Elections expense	3,435.32	3,100.00	335.32	110.8%
Festival expense	13,761.36	20,000.00	-6,238.64	68.8%
Fire Dept Grant	0.00	2,000.00	-2,000.00	0.0%
Grants	1,000.00	2,000.00	-1,000.00	50.0%
Insurance Expense	5,180.17	5,350.00	-169.83	96.8%
Internet and website	5,937.91	10,800.00	-4,862.09	55.0%
Legal fees	5,204.01	9,000.00	-3,795.99	57.8%
Miscellaneous Expense	149.76	1,000.00	-850.24	15.0%
Office expense	8,398.60	11,000.00	-2,601.40	76.4%
Office utilities	2,400.30	4,000.00	-1,599.70	60.0%
Park Maintenance	14,630.89	30,576.00	-15,945.11	47.9%
Park Utilities	1,470.56	2,200.00	-729.44	66.8%
Payroll Expenses	69,447.07	42,700.00	26,747.07	162.6%
Payroll taxes	0.00	7,650.00	-7,650.00	0.0%
Planning and zoning	0.00	47,000.00	-47,000.00	0.0%
Professional Fees	0.00	3,000.00	-3,000.00	0.0%
Rent Expense	0.00	12,000.00	-12,000.00	0.0%
Rental house repairs, etc	303.18	1,000.00	-696.82	30.3%
Salaries - Park	0.00	10,300.00	-10,300.00	0.0%
Solid Waste Manage cost share	0.00	8,000.00	-8,000.00	0.0%
Tax collection fees	1,930.85	2,000.00	-69.15	96.5%
Telephone Expense	779.57	1,200.00	-420.43	65.0%
Training expense	0.00	500.00	-500.00	0.0%
Travel Expense	0.00	400.00	-400.00	0.0%
<b>Total Expense</b>	<b>357,211.68</b>	<b>462,586.00</b>	<b>-105,374.32</b>	<b>77.2%</b>
<b>Net Ordinary Income</b>	<b>18,684.27</b>	<b>0.00</b>	<b>18,684.27</b>	<b>100.0%</b>
<b>Net Income</b>	<b>18,684.27</b>	<b>0.00</b>	<b>18,684.27</b>	<b>100.0%</b>

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10:02 AM

03/01/22

Accrual Basis

# Town of Fairview Transactions by Account

As of February 28, 2022

Type	Date	Num	Adj	Name	Memo	Cir	Debit	Credit	Balance
<b>First National Bank</b>									395,130.01
Bill Pmt -Check	02/08/2022	103620		CompuNetwork	Server and email hosting			345.69	394,784.32
Bill Pmt -Check	02/08/2022	103621		Cox Law Firm, PLLC	January retainer and legal matters			1,012.50	393,771.82
Bill Pmt -Check	02/08/2022	103622		Darrell H. Baucom	Software reimbursement			60.00	393,711.82
Bill Pmt -Check	02/08/2022	103623		Killingsworth Envir...	Pest control			150.94	393,560.88
Bill Pmt -Check	02/08/2022	103624		RLI Surety Bond	Land use administrator bond			100.00	393,460.88
Bill Pmt -Check	02/08/2022	103625		Ronald Thomas	Winter festival expense reimburse...			115.05	393,345.83
Bill Pmt -Check	02/08/2022	103626		Taylor's Landscapi...	Mowing and lawncare			1,652.50	391,693.33
Bill Pmt -Check	02/08/2022	103627		Teresa Clontz	Cleaning office			100.00	391,593.33
Bill Pmt -Check	02/08/2022	103628		Union County Publi...	Park water			76.00	391,517.33
Bill Pmt -Check	02/08/2022	103629		WM Corporate Ser...	Garbage service			121.95	391,395.38
Paycheck	02/08/2022	103630		Darrell H. Baucom				961.59	390,433.79
Paycheck	02/08/2022	103632		Gary H Wilfong				161.61	390,272.18
Paycheck	02/08/2022	103633		Jerry C. Clontz				792.77	389,479.41
Paycheck	02/08/2022	103637		Spencer L. Thomas				46.18	389,433.23
Paycheck	02/08/2022	103638		Teresa Gregorius				1,020.07	388,413.16
Paycheck	02/08/2022	103631		Edward D Humphries				2,318.86	386,094.30
Paycheck	02/08/2022	103634		John A Biggers, Jr.				138.53	385,955.77
Paycheck	02/08/2022	103635		Patricia H. Kindley				138.53	385,817.24
Paycheck	02/08/2022	103636		Phillip C Thomas				184.70	385,632.54
Liability Check	02/08/2022	To Print		IRS	55-0789092			2,236.60	383,395.94
Check	02/08/2022	103639		Jerry C. Clontz	Reimburse park supplies			247.71	383,148.23
Deposit	02/11/2022				Deposit		100.00		383,248.23
Deposit	02/11/2022				Deposit		2,132.50		385,380.73
Check	02/14/2022	Draft		Duke Energy	Park utilities			121.80	385,258.93
Check	02/14/2022	Draft		Duke Energy	Office utilities			444.76	384,814.17
Deposit	02/15/2022				Deposit		17.12		384,831.29
Deposit	02/15/2022				Deposit		858.69		385,689.98
Deposit	02/15/2022				Deposit		22,194.42		407,884.40
Check	02/23/2022	Draft		Spectrum				249.98	407,634.42
Check	02/25/2022	Draft		Great American Fin...	copier			153.56	407,480.86
Deposit	02/25/2022				Deposit		100.00		407,580.86
Deposit	02/25/2022				Deposit		100.00		407,680.86
Total First National Bank							25,502.73	12,951.88	407,680.86
<b>TOTAL</b>							<b>25,502.73</b>	<b>12,951.88</b>	<b>407,680.86</b>



10:02 AM

03/01/22

Accrual Basis

**Town of Fairview**  
**Transaction Detail By Account**  
**July 2021 through June 2022**

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Balance
<b>Festival expense</b>								
Check	07/13/2021	103437		FNB Commercial Credit ...	Credit card charges	32.51		32.51
Check	08/10/2021	103467		Brilolive	Deposit for The Castaways f...	2,750.00		2,782.51
Check	08/10/2021	103469		FNB Commercial Credit ...	credit card payment	27.99		2,810.50
Bill	08/26/2021	08262021		McKensie Lorenz	Security for festival - voided...	0.00		2,810.50
Bill	09/09/2021	09092021		Michael J. Privette	Security for Music in the Park	90.00		2,900.50
Bill	09/10/2021	09102021		Ronald Thomas	Festival items	64.31		2,964.81
Check	09/14/2021	103491		Hometown Heroes	Parking for Music Festival	300.00		3,264.81
Check	09/14/2021	103492		FNB Commercial Credit ...	Credit card payment	266.88		3,531.69
Check	10/02/2021	103495		Chad Price	Music	500.00		4,031.69
Check	10/02/2021	103496		Rick Greene	Music	500.00		4,531.69
Check	10/02/2021	103498		Lee Ward	Music and DJ	1,600.00		6,131.69
Check	10/02/2021	103499		Union County Tractor Club	Festival parking	200.00		6,331.69
Check	10/02/2021	103500		Ryan Jacob Smith	Security for Festival	210.00		6,541.69
Bill	10/08/2021	127830		RCS, Inc.	Porta potty rental for festival	390.00		6,931.69
Check	10/12/2021	103519		FNB Commercial Credit ...	credit card payment	715.08		7,646.77
Check	10/12/2021	103520		Ground 40	Parking and games for Festi...	1,500.00		9,146.77
Check	10/12/2021	103521		Mike Medlin	Festival expense	105.65		9,252.42
Bill	10/22/2021	10222021		Arnold Price	Winter festival expenses	64.00		9,316.42
Check	11/09/2021	103543		Larry Morris	Flyover for Fall Festival	250.00		9,566.42
Check	11/09/2021	103550		FNB Commercial Credit ...	Credit card payment	32.03		9,598.45
Bill	11/16/2021	11162021		Dylan T. Blythe	Security for Winter Festival	90.00		9,688.45
Bill	11/16/2021	11162021		James E. Murray	Security for Winter Festival	90.00		9,778.45
Bill	12/01/2021	12012021		Tracy Price-Ferguson	Reimburse expenses for Wi...	392.67		10,171.12
Bill	12/01/2021	45936		Austin Printing	Printing flyers for Winter Fe...	384.30		10,555.42
Bill	12/07/2021	12072021		Jeff Campagna	Santa for Winter festival	200.00		10,755.42
Bill	12/07/2021	12072021		Union County Antique Tr...	Tractor and trailer ride for F...	200.00		10,955.42
Check	12/14/2021	103585		Allison Plyler	Reimburse festival expenses	255.99		11,211.41
Check	12/14/2021	103586		John Biggers	Reimburse Winter festival e...	656.34		11,867.75
Check	12/14/2021	103589		FNB Commercial Credit ...	Winter festival	151.17		12,018.92
Bill	12/20/2021	12202021		Lisa Thomas	Winter festival expenses	238.19		12,257.11
Check	01/12/2022	103614		FNB Commercial Credit ...	credit card payment	139.20		12,396.31
Bill	01/26/2022	452463		Brilolive	Too Much Sylvia for 06/10/22	1,250.00		13,646.31
Bill	02/03/2022	02032022		Ronald Thomas	Winter festival expense rei...	115.05		13,761.36
Total Festival expense						13,761.36	0.00	13,761.36
<b>TOTAL</b>						<b>13,761.36</b>	<b>0.00</b>	<b>13,761.36</b>

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10:03 AM

03/01/22

Accrual Basis

**Town of Fairview**  
**Transaction Detail By Account**  
**July 2021 through June 2022**

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Balance
<b>Office expense</b>								
Bill	07/05/2021	07052021		Teresa Clontz	Cleaning office	100.00		100.00
Check	07/13/2021	103436		WM Corporate Servi...	Monthly waste charge	111.10		211.10
Check	07/13/2021	103437		FNB Commercial Cr...	Credit card charges	13.93		225.03
Bill	08/02/2021	08022021		Teresa Clontz	Cleaning	100.00		325.03
Bill	08/02/2021	1496		Taylor's Landscapin...	Roundabout	210.00		535.03
Check	08/10/2021	Draft		Great American Fin...	Copier	165.33		700.36
Check	08/10/2021	103466		WM Corporate Servi...	Garbage service	111.10		811.46
Check	08/10/2021	103469		FNB Commercial Cr...	credit card payment	942.88		1,754.34
Deposit	08/13/2021			citizens	Ed's personal deposit 27...	0.00		1,754.34
Bill	08/24/2021	649541		Killingsworth Enviro...	Pest control	125.00		1,879.34
Bill	08/27/2021	1501		Taylor's Landscapin...	Roundabout	140.00		2,019.34
Bill	09/01/2021	0096526-473...		Waste Management	Garbage service	111.10		2,130.44
Bill	09/06/2021	09062021		Teresa Clontz	Cleaning	100.00		2,230.44
Bill	09/13/2021	09/13/2021		Ed Humphries	reimburse postage	12.60		2,243.04
Check	09/14/2021	103492		FNB Commercial Cr...	Credit card payment	1,253.34		3,496.38
Check	09/25/2021	Draft		Great American Fin...	copier	145.02		3,641.40
Bill	10/04/2021	1505		Taylor's Landscapin...	Roundabout maintenance	140.00		3,781.40
Bill	10/06/2021	10062021		Teresa Clontz		100.00		3,881.40
Check	10/12/2021	103518		WM Corporate Servi...	Garbage service	111.10		3,992.50
Check	10/12/2021	103519		FNB Commercial Cr...	credit card payment	283.12		4,275.62
Bill	10/19/2021	713176		Killingsworth Enviro...	Pest control	131.25		4,406.87
Check	10/25/2021	Draft		Great American Fin...	Copier	145.02		4,551.89
Bill	11/01/2021	1510		Taylor's Landscapin...	Round-about	140.00		4,691.89
Bill	11/02/2021	11022021		BB Haigler	Mowing back of town hall	100.00		4,791.89
Bill	11/05/2021	11052021		Teresa Clontz	Office cleaning	100.00		4,891.89
Check	11/09/2021	103545		WM Corporate Servi...	Waste management for d...	111.10		5,002.99
Check	11/09/2021	103550		FNB Commercial Cr...	Credit card payment	56.19		5,059.18
Check	11/25/2021	Draft		Great American Fin...	Copier	153.08		5,212.26
Bill	11/30/2021	1515		Taylor's Landscapin...	Round-a-bout	140.00		5,352.26
Bill	11/30/2021	1515		Taylor's Landscapin...	Gym area and ditch	850.00		6,202.26
Check	11/30/2021	Draft		Great American Fin...	Copier lease	149.01		6,351.27
Bill	12/01/2021	0104453-473...		Waste Management	Garbage	116.80		6,468.07
Bill	12/06/2021	12062021		Teresa Clontz	Cleaning town hall	100.00		6,568.07
Check	12/14/2021	103589		FNB Commercial Cr...	Pay credit card bill	69.67		6,637.74
Bill	12/16/2021	773846		Killingsworth Enviro...	Pest control	150.94		6,788.68
Check	12/31/2021	Draft		Great American Fin...	Copier payment	153.56		6,942.24
Bill	01/03/2022	01032022		Teresa Clontz	Clean office	100.00		7,042.24
Bill	01/03/2022	1522		Taylor's Landscapin...	round-about	210.00		7,252.24
Bill	01/04/2022	0107105-473...		WM Corporate Servi...	Garbage service	121.95		7,374.19
Bill	01/07/2022	01072022		Darrell H. Baucom	Reimburse expenses	9.09		7,383.28
Check	01/12/2022	103614		FNB Commercial Cr...	credit card payment	87.07		7,470.35
Check	01/12/2022	103616		Phil Thomas	meeting expense reimbur...	10.00		7,480.35
Bill	02/01/2022	1526		Taylor's Landscapin...	Roundabout	140.00		7,620.35
Bill	02/01/2022	828723		Killingsworth Enviro...	Pest control	150.94		7,771.29
Bill	02/01/2022	9296		FNB Commercial Cr...	Returned dye resulted in ...	69.85		7,841.14
Credit	02/08/2022	02082022		Darrell H. Baucom	Software reimbursement	60.00		7,901.14
Bill	02/08/2022	02082022		Teresa Clontz	Cleaning office	100.00		8,001.14
Bill	02/21/2022	0111400-473...		WM Corporate Servi...	Garbage service for 2 mo...	243.90		8,245.04
Check	02/25/2022	Draft		Great American Fin...	copier	153.56		8,398.60
Total Office expense						8,398.60	0.00	8,398.60
<b>TOTAL</b>						<b>8,398.60</b>	<b>0.00</b>	<b>8,398.60</b>

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10:03 AM

03/01/22

Accrual Basis

**Town of Fairview**  
**Transaction Detail By Account**  
**July 2021 through June 2022**

Type	Date	Num	Name	Memo	Debit	Credit	Balance
<b>Park Maintenance</b>							
Bill	08/02/2021	1496	Taylor's Landscaping...	Lawn maintenance	1,337.50		1,337.50
Bill	08/02/2021	1496	Taylor's Landscaping...	Top of Hill	200.00		1,537.50
Check	08/10/2021	103464	Jerry C. Clontz	Park supplies	82.07		1,619.57
Bill	08/27/2021	1501	Taylor's Landscaping...	Lawn maintenance	1,337.50		2,957.07
Bill	08/27/2021	1501	Taylor's Landscaping...	Top of hill at park	160.00		3,117.07
Check	09/14/2021	103493	Leon Whitley	Reimbursement m...	100.00		3,217.07
Check	09/14/2021	103494	Mike Medlin	Reimburse for mo...	100.00		3,317.07
Bill	10/04/2021	1505	Taylor's Landscaping...	Normal charge	1,337.50		4,654.57
Bill	10/04/2021	1505	Taylor's Landscaping...	Park extra mowing...	470.00		5,124.57
Bill	10/27/2021	2021-2714	Carolina Recreation ...	2 bench frames an...	2,615.18		7,739.75
Bill	11/01/2021	1510	Taylor's Landscaping...	Lawn maintenance...	1,337.50		9,077.25
Bill	11/01/2021	1510	Taylor's Landscaping...	Top of hill mowing	160.00		9,237.25
Bill	11/01/2021	1510	Taylor's Landscaping...	Mowing highlighted...	405.00		9,642.25
Check	11/09/2021	103546	Jerry C. Clontz	Park supplies	203.43		9,845.68
Bill	11/30/2021	1515	Taylor's Landscaping...	Park and other are...	1,337.50		11,183.18
Bill	11/30/2021	1515	Taylor's Landscaping...	Tree top area	40.00		11,223.18
Bill	11/30/2021	1515	Taylor's Landscaping...	Highlighted areas	135.00		11,358.18
Bill	01/03/2022	1522	Taylor's Landscaping...	normal maintenance	1,337.50		12,695.68
Bill	01/03/2022	1522	Taylor's Landscaping...	Top of hill and high...	175.00		12,870.68
Check	01/12/2022	103614	FNB Commercial Cr...	credit card payment	149.42		13,020.10
Bill	02/01/2022	1526	Taylor's Landscaping...	Mowing and lawnc...	1,337.50		14,357.60
Bill	02/01/2022	1526	Taylor's Landscaping...	Top of hill and high...	175.00		14,532.60
Credit	02/01/2022	9296	FNB Commercial Cr...	Returned dye resul...		149.42	14,383.18
Check	02/08/2022	103639	Jerry C. Clontz	Reimburse park su...	247.71		14,630.89
Total Park Maintenance					14,780.31	149.42	14,630.89
<b>TOTAL</b>					<b>14,780.31</b>	<b>149.42</b>	<b>14,630.89</b>

10

# FEBRUARY 2022 ZONING PERMITS

<u>Date</u>	<u>Clk#</u>	<u>Permit #</u>	<u>Type</u>	<u>Fee \$</u>	<u>Name</u>	<u>Address</u>	<u>Parcel #</u>
2/3/22	CC	Add 22 006A	Addition	\$100	Paul Gadd (Somers)	9818 Mill Grove	08279009A
2/8/22	Cash	Add 22 006	Addition	\$100	Jose Rangel	9405 Indian Trail Fairview	8225005
2/8/22	CC	H 22 007	Home	\$125	Paul Ggadd (D. Gadd)	7309 West Duncan Rd	8285038
2/10/22	CC	A 22 008	Electric Ser	\$100	Paul Gadd (D Gadd)	7309 West Duncan Rd	8285038
2/15/22	CC	A 22 010	Electric Ser	\$100	Doug McCoy	8504 Union Brief Road	8117005
2/15/22	CC	A 22 009	Comp	\$100	Huntley	414 East Brief	08180007F
Hold	Hold	A 22 011	Accessory	Hold	J Biggers	1025 Biggers Farm Road	08180004C
2/15/22	CC	U 22 012	upFit	\$100	Daly Construction	108 W Old Dutch	08216006h
2/17/22	CC	H 22 013	House	\$125	Igor Samocraini	7609 Water Oak	08189015B
2/22/22	5054	Comp 22 014	Comp	\$100	Steve McAllister	9617 Covey Trail	8213072
<b>TOTAL</b>	<b>TOTAL</b>	<b>10</b>		<b>\$950</b>			



# FUND BALANCE WORKSHEET 2021/2022

Beginning Spendable Fund Balance      **\$370,434**  
(as of 6/30/2021)

POLICY - Reserve in Spendable Fund Balance      **\$200,000**

Spendable Fund Balance      **\$170,434**  
(as of 6/30/2021)

AMENDMENT #	DATE	FOR	CREDIT TO ACCT.	AMOUNT
1	7/13/2021	Purchase of Town Hall	Fund balance	150,000.00
New Spendable Fund Balance				20,434.00

AMENDMENT #	DATE	FOR	CREDIT TO ACCT.	AMOUNT
New Spendable Fund Balance				

AMENDMENT #	DATE	FOR	CREDIT TO ACCT.	AMOUNT
New Spendable Fund Balance				

AMENDMENT #	DATE	FOR	CREDIT TO ACCT.	AMOUNT
New Spendable Fund Balance				

AMENDMENT #	DATE	FOR	CREDIT TO ACCT.	AMOUNT
New Spendable Fund Balance				

AMENDMENT #	DATE	FOR	CREDIT TO ACCT.	AMOUNT
New Spendable Fund Balance				

AMENDMENT #	DATE	FOR	CREDIT TO ACCT.	AMOUNT
New Spendable Fund Balance				

AMENDMENT #	DATE	FOR	CREDIT TO ACCT.	AMOUNT
New Spendable Fund Balance				

AMENDMENT #	DATE	FOR	CREDIT TO ACCT.	AMOUNT
New Spendable Fund Balance				





**Town of Fairview  
Fairview Park Event Committee Meeting  
February 3, 2022**

The following Fairview Park Event Committee members were present: Lisa Thomas, Tracy Biggers, Gayle Brock, Mike Medlin, Traci Price-Ferguson and Spencer Thomas

Others present: Teresa Gregorius, Town Clerk

**Public Comments**

None

**Items of Business**

**A. Discuss Planning Event Coordinator Position/Duties List**

Chairman Lisa Thomas asked the Committee for their input into the list of duties for the Planning Event Coordinator Position. The Committee established a list of duties. She will be meeting with the Council at their February meeting to discuss the possibility of hiring an administrative assistant to help with coordinating the park events.

**B. Easter Egg Hunt**

Chairman Thomas announced the Easter Egg Hunt will be April 9<sup>th</sup> from 10:00 – 12:00 and she is currently working on the agenda. The Committee discussed options for the hunt and decided to:

- Coordinate with Simpson Eggs regarding cartons
- Order plastic eggs and let children keep the 12 they find
- Organize 3 groups (not by age) using colored bands
- Have the cupcake walk
- Talk to Jimmy Huntley regarding music
- Tracy Biggers will check into decorations at park entrance
- Talk to Bethlehem about providing snacks

C. Minutes

Spencer Thomas made a motion to approve the January 6, 2022 minutes. Mike Medlin seconded the motion. Committee members Thomas, Biggers, Brock, M. Medlin, Price-Ferguson and S. Thomas voted yes (6-0).

Chairman Thomas adjourned the meeting.

Respectfully submitted,

\_\_\_\_\_  
Teresa Gregorius  
Town Clerk

\_\_\_\_\_  
Lisa Thomas  
Chairman

Approved this \_\_\_\_\_ day of \_\_\_\_\_ 2022



**Town of Fairview  
Regular Town Council Meeting  
February 8, 2022**

The following Council members were present: Mayor Phil Thomas, John Biggers, Jerry Clontz, and Patricia Kindley. Gary Wilfong was absent.

Others present: Melanie Cox, Town Attorney; Darrell Baucom, Financial Officer; Ed Humphries, Land Use Administrator/Deputy Clerk; Teresa Gregorius, Town Clerk and Spencer Thomas, Administrative Assistant

**Agenda Changes**

Mayor Thomas stated that he would like to add two items:

On the consent agenda: j) Approve Mayor Thomas to sign proposal forms and then contract documents after all paperwork is approved by the state for town hall grant and park grant.

In Items of Business Item 5: Approve Mayor Thomas to negotiate cost sharing with Fire Department on septic system and sign the agreement.

**Approval of Agenda**

Patricia Kindley made a motion to approve the agenda as amended. Jerry Clontz seconded the motion. Council members Biggers, Clontz, and Kindley voted yes (3-0).

**Public Comments**

None

**Consent Agenda**

- a) Financial and Tax Reports--- *Report Accepted as Information (including Pending Bills documentation provided at meeting)*
- b) Land Use Report---*Report Accepted as Information*
- c) Fund Balance Worksheet 2021-2022 --- *Report Accepted as Information*
- d) Fairview Park Event January Draft Minutes (*Minutes Accepted as Information*)
- e) Fairview Park Facility Draft Minutes (*No January Meeting*)



- f) Planning Board Draft Minutes (*No January Meeting*)
- g) Approve Council Minutes for January 11, 2022
- h) Conflict of Interest Policy 2022
- i) Fairview Cost Principal Policy 2022
- j) Approve Mayor Thomas to sign proposal forms and then contract documents after all paperwork is approved by the state for town hall grant and park grant

Patricia Kindley made a motion to approve the consent agenda as amended. John Biggers seconded the motion. Council members Biggers, Clontz, and Kindley voted yes (3-0).

### **Items of Business**

#### **Item 1: Discuss/Approve Text Change #TC 22-003**

Ed Humphries presented Text Change #TC 22-003 regarding Fairview Land Use Ordinance Section 32 (a) Voting of the Board of Adjustment. In the process of restructuring the Board of Adjustment, the attorney suggested that the Town update Land Use Ordinance Section 32 (a).

**Mayor Opened Public Hearing**

**No Public Comments**

**Mayor Closed Public Hearing**

Patricia Kindley made a motion to approve Text Change #TC 22-003 stating the 4/5 vote is only required for a variance and a simple majority for any other quasi-judicial matters (Per Statute 160D). Motion to approve would include the following zoning statement: The proposed zoning amendment under consideration is found to be reasonable and consistent with the recommendations of the Town's adopted Comprehensive Plan, the Town of Fairview Land Use Plan (Revised November 11, 2018), and the Town of Fairview Land Use Ordinance (effective July 1, 2005). John Biggers seconded the motion. Council members Biggers, Clontz, and Kindley voted yes (3-0).

#### **Item 2: Appoint Board of Adjustment members and terms**

Ed Humphries presented the new Board of Adjustment (BOA) members and alternates applications to the Council. Mr. Humphries noted that the past BOA only had two cases in twelve years. Mr. Humphries will have the new meet at least once a year to review procedures or as cases arise. Below is the list of members and alternates being considered for the BOA:

Chrisie Black (3-year term)  
Doug Buchanan (3-year term)  
David Link (3-year term),  
Josh Presley (2-year term)  
Bill Riffle (2-year term)  
Alternate: Alex Karakosta (3-year term)



Alternate: Jim Brewer (2-year term)

Patricia Kindley made a motion to appoint Board of Adjustment members and alternates as listed. Jerry Clontz seconded the motion. Council members Biggers, Clontz, and Kindley voted yes (3-0).

**Item 3: Appoint Fred Rogers as an alternate member on the Planning Board**

Ed Humphries presented an application for Fred Rogers as an alternate member on the Planning Board (term to expire September 2022) to the Council. Mr. Rogers would replace Josh Presley who moved to a full member on the Board.

Jerry Clontz made a motion to appoint Fred Rogers as an alternate member to the Planning Board. Patricia Kindley seconded the motion. Council members Biggers, Clontz, and Kindley voted yes (3-0).

**Item 4: Discuss Event Planning Coordinator Position**

Lisa Thomas, Chairman of the Fairview Park Event Committee, presented the Council with the request to hire an event planning coordinator to assist the Park Event Committee with all the events at the park. The Committee anticipates the position to be contract/salaried and serve as the liaison/secretary to them as noted in the outline she passed out to Council members. Council members discussed and will discuss further at the Council retreat in March. They advised Ms. Thomas to advertise on the town website and Facebook.

**Item 5: Approve Town of Fairview/Fire Department Septic System**

Mayor Thomas has been in contact with the Fire Department regarding the septic system that is needed by the Town. He has requested that the Council approve him to negotiate cost sharing with the fire department on septic system and sign the agreement. The Council discussed.

John Biggers made a motion to approve Mayor Thomas to negotiate cost sharing with the fire department on septic system and sign the agreement. Jerry Clontz seconded the motion. Council members Biggers, Clontz, and Kindley voted yes (3-0).

**Council Comments**

Patricia Kindley reported that she is donating the remaining monies from her campaign fund (\$2,132.20) to be used for a park literacy-based story walk for children.

Jerry Clontz reported the Facility Committee will be setting up a spring clean-up day at the park for April.

Mayor Thomas stated that he attended a Chamber of Commerce meeting with legislators in January and spoke with a couple of our county commissioners, Senate Representative Paul Newton and House Representative Dean Arp about redistricting and broadband. The UC

Chamber of Commerce 2022 Elected Officials Reception will be held on March 24<sup>th</sup> at Southern Piedmont Community College.

Jerry Clontz made a motion to adjourn. Patricia Kindley seconded the motion. Council members Biggers, Clontz, and Kindley voted yes (3-0).

Respectfully submitted,

\_\_\_\_\_  
Teresa Gregorius  
Town Clerk

\_\_\_\_\_  
Phil Thomas  
Mayor

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2022

# Discuss Text Amendment #TC 22-005

### **Section 113 Procedures Upon Discovery of Violations.**

- (a) If the administrator finds that any provision of this ordinance is being violated, he shall send a written notice to the person responsible for such violation, by personal delivery, electronic delivery, or first-class mail indicating the nature of the violation and ordering the action necessary to correct it. Additional written notices may be sent at the administrator's discretion.
- (b) The final written notice (and the initial written notice may be the final notice) shall state what action the administrator intends to take if the violation is not corrected and shall advise that the administrator's decision or order may be appealed to the Board of Adjustment in accordance with Section 91.
- (c) Notwithstanding the foregoing, in cases when delay would seriously threaten the effective enforcement of this ordinance or pose a danger to the public health, safety, or welfare, the administrator may seek enforcement without prior written notice by invoking any of the penalties or remedies authorized in Section 114.
- (d) The person providing the notice of violation shall certify to the local government that the notice was provided, and the certificate shall be deemed conclusive in the absence of fraud.



## PUBLIC HEARING NOTICE

The Fairview Town Council will conduct a Public Hearing starting at 6:30 pm on Tuesday, **March 8, 2022, during the Council Regular monthly meeting** at the Old Fairview School (location address: 7516 Concord Highway, Monroe, N.C. 28110). The purpose of this hearing is to:

***Hear public comment on:***

**Text Amendment: TC 22 005**

### **Section: 113 Procedures Upon Discovery of Violations (additions underlined)**

- (a) If the administrator finds that any provision of this ordinance is being violated, he shall send a written notice to the person responsible for such violation, by personal delivery, electronic delivery, or first-class mail indicating the nature of the violation and ordering the action necessary to correct it. Additional written notices may be sent at the administrator's discretion.
- (d) The person providing the notice of violation shall certify to the local government that the notice was provided, and the certificate shall be deemed conclusive in the absence of fraud.

The Public is invited to attend the public hearing and make comments. As a result of comments, the Town council reserves the right to make changes to the proposed Amendment prior to adoption. For More information, call Ed Humphries, Land Use Administrator at (704) 564.3412 during business hours. (Tuesday and Thursday 9:00 am to 3:00 pm)

The Town of Fairview does not discriminate based on disability. If you need an auxiliary aid or service or other accommodation to attend or fully participate at this meeting, please contact the Town Clerk at (704) 753.1981 as far in advance of the meeting as possible so that your request can be considered.

-----

# Approve 2022 Audit Contract

# **J. B. WATSON & CO., P.L.L.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

120 SOUTH RUTHERFORD STREET

P. O. BOX 341

WADESBORO, N.C. 28170

JAMES F. HANNA, CPA  
DENEAL H. BENNETT, CPA  
J. DAVID BURNS, CPA

TELEPHONE (704) 694-5174  
FACSIMILE (704) 694-6970

March 8, 2022

To the Honorable Mayor and  
Members of the Town Council  
Town of Fairview  
7516 Concord Highway  
Monroe, North Carolina 28110

We are pleased to confirm our understanding of the services we are to provide Town of Fairview for the year ended June 30, 2022.

## **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the aggregate discretely presented component units (if any), each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Town of Fairview as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Fairview's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Fairview's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited: Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Fairview's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditors' report on the financial statements:



- 1) Individual Fund Statements and Schedules
- 2) Budgetary Schedules
- 3) Other Schedules
- 4) Schedule of Expenditures of Federal and State Awards (when applicable)

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

If during the audit we become aware that Town of Fairview is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with GAAS may not satisfy the relevant legal, regulatory, or contractual requirements.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that



do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of receivables, revenues, and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement.

#### **Audit Procedures – Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning: management override of controls, improper revenue recognition, and lack of segregation of duties. These assessed risks are based on risks identified in the prior-period audit and the assumption they are still relevant.

#### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Fairview's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.



### **Other Services**

We will also prepare the financial statements, related notes, and the schedule of expenditures of federal and State awards (when applicable) of Town of Fairview in conformity with GAAP based on information provided by you. This will include proposed audit adjustments to convert the financial statements from modified accrual to accrual basis. We will also assist in calculating depreciation for the year based on information provided by you. We will also prepare the Annual Financial Information Report (AFIR) using the financial statements and other information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement and other services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees,



grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

With regard to including the auditors' report in an exempt offering document, you agree that the aforementioned auditors' report, or reference to J.B. Watson & Co., P.L.L.C., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for the preparation of the supplementary information in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.



### **Engagement Administration, Fees, and Other**

We understand that your employees will assist in preparing all cash, accounts receivable, revenue, or other confirmations we request and will locate any documents selected by us for testing.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and assisting in preparing confirmation requests. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

We will provide copies of our reports to Town of Fairview and to the Local Government Commission of the North Carolina Department of State Treasurer; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of J.B. Watson & Co., P.L.L.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of J.B. Watson & Co., P.L.L.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit in August or early-September 2022 and to issue our report no later than October 31, 2022 (or December 1, 2022, if additional time is warranted). Deneal H. Bennett, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

To ensure that J.B. Watson & Co., P.L.L.C.'s independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.


Our fee for these services will be \$8,250 plus \$135 per hour for nonattest services (including year-end bookkeeping) and Single Audit procedures, if applicable. This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter, and our fees will be adjusted accordingly.

### Reporting

We will issue a written report upon completion of our audit of Town of Fairview's financial statements. Our report will be addressed to the governing board of Town of Fairview. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Town of Fairview and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



J.B. Watson & Co., P.L.L.C.

### RESPONSE:

This letter correctly sets forth the understanding of Town of Fairview.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



The	Governing Board
	Town Council
of	Primary Government Unit
	Town of Fairview, NC
and	Discretely Presented Component Unit (DPCU) (if applicable)

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name
	J.B. Watson & Co., PLLC
	Auditor Address
	PO Box 341; Wadesboro, NC 28170

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending	Audit Report Due Date
	06/30/22	10/31/22

*Must be within four months of FYE*

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).



3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.)[G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to



the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the



Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

**See attached engagement letter.**

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.



26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

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31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.



## FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will not be approved.

Financial statements were prepared by: ☒ Auditor ☐ Governmental Unit ☐ Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:

Title and Unit / Company:

Email Address:

OR Not Applicable ☒ (Identification of SKE Individual not applicable for GAAS-only audit or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. Should the 75% cap provided below conflict with the cap calculated by LGC Staff based on the billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

## PRIMARY GOVERNMENT FEES

Primary Government Unit	Town of Fairview, NC
Audit Fee	\$ 5,400 + \$135/hr for any Single Audit procedures if applicable
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$ 2,850
All Other Non-Attest Services	\$ 135/hour
<b>75% Cap for Interim Invoice Approval</b> (not applicable to hospital contracts)	\$ 6,495.00

## DPCU FEES (if applicable)

Discretely Presented Component Unit	
Audit Fee	\$
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> (not applicable to hospital contracts)	\$